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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE  
MEETING MINUTES**

**December 14, 2010**

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A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, December 14, 2010, in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:03 a.m. and the roll was called. The following members were present:

Rob Feckner, Interim Chair  
George Diehr, Vice Chair  
Terry McGuire for John Chiang  
Patricia Clarey  
Greg Beatty for Debbie Endsley  
Henry Jones  
Priya Mathur  
Louis Moret  
Tony Oliveira

Other Board Member(s):

Grant Boyken for Bill Lockyer  
JJ Jelincic

**AGENDA ITEM 3a – STATE LEGISLATIVE PROPOSAL: COMBINE BENEFIT LEVELS IN THE 1959 SURVIVOR PROGRAM FOR PUBLIC AGENCIES**

Danny Brown, Chief, Office of Governmental Affairs, presented the State Legislative Proposal: Combine Benefit Levels in the 1959 Survivor Program for Public Agencies as an action item.

On **MOTION** by Mr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board sponsor legislation to combine levels 1, 2, and 3 of the 1959 Survivor Program for Public Agencies into a new pool paying current level 3 survivor benefit and suspend the \$2 monthly employee premium if the Board determines the combined pool is running a surplus in excess of 200 percent of the total liabilities of the pool.

### **AGENDA ITEM 3b - STATE LEGISLATIVE PROPOSAL: MINOR POLICY AND TECHNICAL AMENDMENTS TO THE PUBLIC EMPLOYEES RETIREMENT LAW (PERL)**

Mr. Brown presented the State Legislative Proposal: Minor Policy and Technical Amendments to the Public Employees Retirement Law (PERL) as an action item.

On **MOTION** by Mr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board sponsor legislation to make minor policy and technical amendments as outlined in the agenda item.

### **AGENDA ITEM 3c – STATE LEGISLATIVE PROPOSAL: POLICY AND PLAN DESIGN CHANGES**

Ann Boynton, Deputy Executive Officer, Benefits Administration, requested the State Legislative Proposal: Policy and Plan Development item be withdrawn. The Committee had no objections.

### **AGENDA ITEM 4a – 2010 PUBLIC AGENCY, STATE, AND SCHOOLS ELECTIONS SUMMARY**

Kim Malm, Chief, Operations Support Services, presented the 2010 Public Agency, State, and Schools Elections Summary as an information item. The election for the School Board Member held by Rob Feckner, and the Public Agency Board Member position held by Priya Mathur, were not conducted as both incumbents were unopposed. The State Board Member election was decided by majority vote, George Diehr was the elected candidate.

### **AGENDA ITEM 5a – STATE EMPLOYER CONTRIBUTION RATES**

Alan Milligan, Chief Actuary, presented the State Employer Contribution Rates as an action item.

On **MOTION** by Mr. Beatty, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board adopt the following new employer contribution rates for the State plans effective January 1, 2011.

<b>State Plan</b>	<b>Employer Contribution Rate for Pay Periods Between January 1, 2011 and June 30, 2011</b>
State Miscellaneous Tier 1	17.528%
State Miscellaneous Tier 2	16.442%
State Industrial	14.683%
State Safety	15.702%
State Peace Officers & Firefighters	28.556%
California Highway Patrol	29.956%

#### **AGENDA ITEM 5b – PROPOSED REGULATION FOR PUBLICLY AVAILABLE PAY SCHEDULE AND WRITTEN LABOR POLICY OR AGREEMENT**

Marion Montez, Assistant Chief, Employer Services Division, presented the Proposed Regulation for the Publicly Available Pay Schedule and Written Labor Policy or Agreement as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Diehr and **CARRIED**, the Committee recommended the Board approve for publication the proposed amendments to clarify and make specific the requirements for publicly available pay schedules and labor policy or agreements.

#### **AGENDA ITEM 5c – EFI’S PARALLEL VALUATION AND CERTIFICATION OF THE STATE AND SCHOOLS AS OF JUNE 30, 2009**

Dave Clement, Senior Pension Actuary, presented the EFI’s Parallel Valuation and Certification of the State and Schools as of June 30, 2009 as an action item.

On **MOTION** by Mr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board accept EFI’s report on the June 30, 2009 parallel valuation and certification of the actual valuation of the State and Schools plans in completion of Task 2 of Contract 2009-5377.

#### **AGENDA ITEM 5d – RESULTS OF THE JUNE 30, 2009 ACTUARIAL VALUATIONS FOR PUBLIC AGENCIES**

Nancy Campbell, Supervising Pension Actuary, presented the Results of the June 30, 2009 Actuarial Valuations for Public Agencies as information item.

#### **AGENDA ITEM 5e – CALIFORNIA EMPLOYERS’ RETIREE BENEFIT TRUST (CERBT) FUND UPDATE**

Rand Anderson, Chief, Constituent Relations Office, presented the California Employers’ Retiree Benefit Trust (CERBT) Fund Update as an information item.

#### **AGENDA ITEM 5f – PUBLIC EMPLOYEE COMPENSATION UPDATE**

Lori McGartland, Chief, Employer Services Division, presented the Public Employee Compensation Update as an information item.

#### **AGENDA ITEM 5g – CHIEF ACTUARY REPORT**

Mr. Milligan presented the Chief Actuary Report as an information item.

## **AGENDA ITEM 6a – ASSISTANT EXECUTIVE OFFICER REPORT**

Donna Lum, Assistant Executive Officer, Member and Benefit Services Branch, presented the AEO Report as an information item.

## **AGENDA ITEM 6b – DRAFT AGENDA FOR FEBRUARY 15, 2011 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING**

The Committee approved the draft agenda as presented.

The next meeting of the Benefits and Program Administration Committee is scheduled for February 15, 2011, in Sacramento, California.